Page 1

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

ESTER LORUSSO,

: CASE NO. 07

: CV 03583

Plaintiff,

vs.

: DEPOSITION OF:

: GIULO LIBUTTI

ALITALIA-LINEE AEREE ITALIANE- :

SpA,

Defendant. :

TRANSCRIPT of the stenographic notes of LISA FORLANO, a Notary Public and CCR, CRR, RMR, taken at the offices of Vedder Price P.C., 1633 Broadway, 47th Floor, New York, New York, 10019, on Monday, January 21, 2008, commencing at 10:45 a.m.

3 (Pages 6 to 9)

			Ι —	····	3 (rages o co s)
		Page 6	İ		Page 8
1	Q	What did you do before that?	1	A	If you reach an agreement like that,
່ 2	A	I was working for Alitalia.	2	yes.	
, 3	Q	How long did you work for them?	3	Q	How much did they pay you?
4	A	From first of January of '90 until	4	A	I will not answer to this question.
5	31st of	March of 2007.	5		MR. KORAL: Can we reserve and I'll
6	Q	When did you begin with Airone again?	6		with him later?
7	A	The first of April, 2007.	7		MR. OTTINGER: Sure.
8	Q	Why did you leave Alitalia?	8	BY MR	. OTTINGER:
9	A	I left Alitalia because the Director of	9	Q	Just to be clear, there was no problem
10	World	wide Sales told me that there was not any	10	•	ur employment at Alitalia that lead to your
11	available position for me for the time being and so		11	departui	re from that company, is that right?
12		at because I maybe have other opportunity in	12	A	Can you repeat that, please?
13		ustry to negotiate an agreement with the	13	Q	Sure. Just to be clear, there was no
14		ny, to leave the company with a mutual	14	problem	ı do you know what I mean by problem?
15		ent and a very good mood.	15	A	Problem, yes.
16	[®] Q	A good what?	16	Q	There was no problem with your
17	À	Good mood.	17	perform	ance at Alitalia that lead to your departure?
18	Q	Mood, feeling?	18	A	No, because my performance related to
19	Ã	A good feeling, yes.	19	2006 in	the agreement that has been signed that
20	Q	So you left on good terms with	20	recogni	ze also bonus for a good performance of 2006.
21	Alitalia	•	21	Q	You got paid a bonus for a good job in
22	A	Yes, yes.	22	2006?	
23	Q	Did they ask you to leave?	23	A	Yes.
24	À	No.	24	Q	Were there any complaints that were
25	Q	You weren't fired, right?	25	lodged a	against you that had anything to do with you
•		Page 7			Page 9
1 4	A	No.	1	leaving	the company Alitalia?
1	A		2	A	No.
2	Q	Do you know what fired means in this	3	Q	What was your position with Alitalia
3	country	Yes, I know fired. Let's terminate. I	4	-	ou left?
4	A	t absolutely.	5	A A	I was the exact title was Director
5		So you're saying that you left on your	6		s for Europe.
7	Q over be	cause there wasn't an available position for	7	Q	How long did you have that title?
8	you?	cause there wash t an available position for	8	Ā	I have that title from June or July.
9	you? A	There was an agreement in our country,	9		rry, I don't remember very well, I think it
10		ake the agreement with the company. It's a	10		ne of 2006. June or July, first of July,
11	-	that you sign.	11	2006.	
12	paper i Q	What's that paper called, sir?	12	Q Q	So you first got this title of Director
13	Ā	I don't remember what the paper called.	13	-	s for Europe in June of 2006?
14	Q	Is it like a severance agreement, that	14	A	Yes.
15	kind of	-	15	Q	What was your title before that?
16	A A	I don't remember the title of the	16	Ā	Before that, it was Senior
17	•-	I'm sorry.	17		resident for North America, Mexico.
18	paper, O	Were you paid money in connection with	18	Q	How long did you hold that title?
19	-	en you left?	19	Ā	From July, 2003 to June, 2006.
20	A A	We reach an agreement, yes.	20	Q	Where were you located when you had
21	Q	Did they give you money when you left?	21	that job	•
22	Ā	Yes, it's according to the Italian law,	22	A	Which job, in New York?
1-3	yes.	w and up a compact more an even proper source.	23	Q	Senior Vice-President for North
	yes.	There's a law in Italy that says when	24	Americ	₹
25	•	ve a company like that, they have to pay you?	25	A	I was working in the head office of
	- 704 AU	a southern man ment mot me to bat log.			

4 (Pages 10 to 13)

Page 12 Page 10 office in New York? What's it do? United States that is in Empire State Building. 1 1 The purpose is to realize the targets 2 Empire State Building, New York City? 2 of the company in terms of revenue, in terms of the 3 A New York City. 3 profit and loss that's being decided in that quarter The court reporter only has two hands 4 4 5 for North America, to materialize the target of and she cannot record what you say and I say, so 5 profit and loss revenue and the supervisional 6 when I ask a question, just let me finish before you 6 activities in customer service in terms of image of answer because she can't take it down when we're 7 7 the company. First of all, it's to make the company both talking. 8 8 9 profitable, to focus on a profit and loss chart that 9 Sorry, I didn't realize that. A 10 the company gave at the beginning of the year. That's okay. So when you had the title 10 You're saying that the purpose of the 11 Senior Vice-President for North America, you were 11 New York office is to make money, is that what 12 located in New York City? 12 13 you're saying? A Yes. 13 No, to reach the target in terms of 14 Let's get the dates down again. When 14 were you in New York City with that title? 15 profit and cost. 15 16 How do you do that? From when? 0 16 A 17 A It's not easy to explain. It's very Yes. 17 Q long. Because you have -- the revenue come from the From I told you from I think July, 18 18 A trade with our customers, the trade or the 19 19 2003. distributions and directly from the customer through 20 To June, '06? 20 0 a channel, we have different channels. We have 21 21 A Yes. channels of the trade and direct channel. For 22 22 What was your -- what were your example, Internet website is a direct channel. responsibilities when you were serving as the 23 23 Vice-President of North America between that time 24 So I'm trying to understand, is the 24 primary goal, one of the primary purpose of your 25 period? 25 Page 13 Page 11 office in New York, Alitalia's New York office to MR. KORAL: Senior Vice-President. 1 2 generate sales? MR. OTTINGER: Yes. 2 THE WITNESS: My responsibility was to 3 A Yes. 3 4 So it's really, the New York office, supervise, to handle all activities of North 0 4 5 it's fair to say, it's about generating sales in America of Alitalia related to sales and sales 5 6 North America for Alitalia? and marketing and administration and in the 6 MR. KORAL: Objection. 7 last period also stations. It was different 7 THE WITNESS: Yes. step. I didn't supervise all those activities 8 8 9 BY MR. OTTINGER: in the beginning. It was different. 9 BY MR. OTTINGER: 10 0 Is that true? 10 11 Can you repeat the question? Q So you're saying you got more 11 Could you read it back? responsibility as time went on in New York? Is that 12 12 (At which time the following question 13 13 what you're saying? was read back by the reporter: "Question: So 14 During the period of United States, 14 it's really, the New York office, it's fair to before when arriving in the United States, I was 15 15 focus only on sales and marketing. After one year, 16 say, it's about generating sales in North 16 America for Alitalia?") 17 one year and a half, they move under my 17 18 THE WITNESS: Yes, not only sales, of 18 responsibility the administration and only at the end in 2006, if I remember well, they put stations, 19 course. 19 20 BY MR. OTTINGER: airports, under my responsibility, activity of those 20 21 What else? 21 stations. Control the cost. I mean the profit Thank you. When you say stations, you 22 22 and loss is done by revenue and cost, so it was a 23 3 mean airports, is that right? net margin that make the difference for the company. Airports, yes. 24 Ŧ What is the purpose of Alitalia's 25 Who did you report to when you were the 25

8 (Pages 26 to 29)

		,	8 (Pages 26 to 29)
	Page 26		Page 28
1	O So he was working in New York City, but	1	Q Tell me, how did you do that? How
2	not for you?	2	many - you said there were 200 when you started?
, 3	A No, directly from Rome.	3	A Yes.
4	Q Were there any other people in the New	4	Q How many were there when you left in
5	York City office who didn't report to you, but	5	2006?
6	instead reported to people in Rome?	6	A If I remember well, the exact number
7	A I told you at the beginning of my	7	should be around 70, 80. This number is including
8	experience, yes. The controller, the financial	8	Canada.
9	controller and the stations and Mr. Gallo and one	9	Q I'm just talking about the New York
10	person one manager in charge of public relation	10	City office.
11	was directly dependent to Rome.	11	A I'm sorry, when we use numbers, we use
12	O You said that there were two early	12	number altogether. I was in charge of North
13	retirement programs. If I understand you correctly,	13	America, so I remember the number in all of North
14	they were both created by Mr. Gallo?	14	America. In Mexico, we didn't have anybody. When I
15	A No. It was proposed by Mr. Gallo.	15	say New York, it is United States and including
16	Mr. Gallo prepare all procedures, all parameters,	16	Canada. Canada totally was 14 number, 15 person
17	everything in order to propose to Rome. He come to	17	when I arrived and when I left, it was 10. I
18	me and say, this is the best things we can propose	18	remember the number of Canada.
19	to Rome in order to Rome will accept because he	19	Q So when I asked you earlier how many
20	knows the rules, how many weeks you have to offer	20	employees were in the New York City office, you told
21	and et cetera, et cetera.	21	me 200.
22	Q Did he come up with this early	22	A Yes, it was total North America.
23	retirement proposal because you or someone else	23	Q Thank you for clearing that up. Do you
24	asked him to do it or did he do it on his own?	24	remember how many were actually in New York when you
25	A No, we ask him which is the best legal	25	started?
' <u></u>	Page 27	 	Page 29
۱ ,	-	1	A In New York, I have some problem to
1	way in order to reduce the cost without any	2	remember because at the time the office open in the
2	strong – without acting very strong against the	3	United States and we have Canada, we have people in
3	employees.	4	the airport, so if I say around 100 maybe. But I'm
4	Q What do you mean acting very strong?	5	not sure. I'm sorry.
5	A Let go the people without any	6	O Just so we're clear, you're saying
6	compensation.	7	right now as you sit here that your best estimate
7	Q Without any compensation?	8	when you started working in the New York City office
8	A Yes.	9	of Alitalia in 2003 there were approximately 100
9	Q Other than these two early retirement	10	people in the New York City office?
10	programs that you've been talking about, were there	11	A Yes.
11	any other programs or initiatives that you know of that were designed to reduce the number of employees	12	Q Now, when you left Alitalia in March of
12	in the New York office while you were there?	13	'07, how many employees were in the New York City
13		14	office?
14	A No. Q And while you were in the New York	15	A Probably around 40, 45 New York City
15	Q And while you were in the New York office, did any employees leave the company?	16	only?
16		17	Q Yes, sir. Are you familiar with the
17		18	American anti-discrimination laws? Do you know what
18	Q Sure, no problem. While you were in New York, did any employees leave the company?	19	I mean by that?
19		20	A Very familiar. What do you mean
20	A Yes, some employees, if I remember well, leave the company by its own.	21	familiar? Expert, if I'm expert?
21		22	Q Do you know about them? Do you know
22	Q Were you able to reduce the number of employees in the New York office while you were	23	what they are?
	• •	24	A For American discrimination law?
jae F	there?	25	Q Yes.
25	A Yes.	23	Q 103.

13 (Pages 46 to 49)

			13 (Pages 46 to 49)
	Page 46		Page 48
1	MR. KORAL: Objection.	1	made such a decision based upon someone's gender to
2	BY MR. OTTINGER:	2	terminate them or demote them or not promote them,
, 3	Q Is that true?	3	that would also be a violation of the law, right?
4	A If I know the law?	4	A Based on gender, yes, I know that.
5	Q Do you know what the American	5	Q Same with age, right?
6	discrimination laws are? You understand them?	6	A Yes.
7	MR. KORAL: Objection.	7	Q If you ever made a decision to fire
8	THE WITNESS: Not deeply as in a	8	someone or demote them or not promote them or
9	lawyer, but I know that you cannot	9	transfer them to a less desirable position that was
10	discriminate anybody for age or sex or	10	based on part on their age or their gender, that
11	religion or disability based on that.	11	would be a violation of the American laws?
12	BY MR. OTTINGER:	12	A Yes, I know that is a violation, yes.
13	Q But you do know that if you made a	13	Q What was Ester Lorusso's position when
14	decision about someone in America that had an	14	you arrived in New York in 2003?
15	adverse effect on them that was based in part on	15	A If I remember, Director of Marketing.
16	their age or gender, that that would violate the	16	Q Did that position change while you were
17	discrimination laws in America?	17	working in New York?
18	MR. KORAL: Objection.	18	A Yes.
19	THE WITNESS: I don't understand that	19	Q How so?
20	question, I'm sorry.	20	A In 2004, if I remember well, there was
21	MR. OTTINGER: Let me have it read back	21	a company decision based on again, reduction of
22	to you.	22	costs to centralize all agreements with advertising
23	(At which time the following question	23	agency all over the world and make one contact with
24	was read back by the reporter: "Question:	24	only one advertising agencies for the world not
25	But you do know that if you made a decision	25	giving anymore autonomy to the branches to handle
	Page 47		Page 49
1	about someone in America that had an adverse	1	and negotiate their own contract with advertising
2	effect on them that was based in part on their	2	agency and mass media position in the world. And
3	age or gender, that that would violate the	3	United States used to have the highest budget in
4	discrimination laws in America?")	4	terms of money to spend because the count and
5	MR. KORAL: Objection.	5	because of the mass media costs. So at that time,
6	THE WITNESS: I don't know how to	6	many million dollars were allocated in our budget as
7	answer this question. If you ask me if I know	7	being to Rome and centralize. This was the decision
8	or I don't know, if any effect of actions,	8	of the company to close all marketing office in the
9	what kind of actions?	9	world or to reduce as much as possible because the
10	BY MR. OTTINGER:	10	majority of activity of a marketing office approach
11	Q For example, if you decided to	11	is mass media relationship and acquisition of the
12	terminate an employee who worked in America based	12	space and agreement with advertising agent and
13	upon their age you understand that so far?	13	anything related to brand image of the company.
14	A Yes, absolutely.	14	Q How did that affect Ester Lorusso?
15	Q So if you decided that you wanted to	15	A That was the effect that has been the
16	terminate an employee in America that was based in	16	decision for the company to close the marketing
17	part on his or her age, that that would be a	17	offices and there is no more space due to the change
18	violation of the American anti-discrimination laws?	18 19	for the position of director and any manager position in that office. So our concern was to
19 20	A Yes, I know that.	20	reallocate a person like Ester or other people
21	Q Do you also know that if you decided to deny somebody in America an employment opportunity	21	working in marketing and a different position.
22	that was based in part on their age, that that would	22	Q What happened to Ester?
73	also violate the anti-discrimination laws?	23	A lt was difficult to find a position for
4	A Yes, I know.	24	Ester, but finally, because the director was high
25	Q Likewise, a person's gender, if you	25	level, of course, and so finally we found the
<u> </u>	Z maniso, a horson a gondor, ir Jon		and the transport of the state

Page 52 Page 50 presence in the market, yes, it was coordinated by position that we were thinking was very good for her 1 1 me, but in terms of sales policy and everything, so 2 2 because in my impression, she had a very good she come to me. We went together to visit travel 3 experience in advertising and to create a real 3 agency together. But in terms of company, so the potential director you need to also have experience 4 4 profit and less accountability was directed to Rome, of sales. So we offer -- in this way, we offer to 5 5 6 you know, in profit and loss company. her the position of managing director, if I remember 6 7 Were there any plans in place that you well, of GA2000. And I told Ester that was a very 7 know of to eliminate GA2000? 8 good opportunity because there was not a position 8 MR. KORAL: Objection. 9 available. It was very good because she can work as 9 THE WITNESS: There was not any plan to a managing director, have a lot of autonomy in her 10 10 11 eliminate GA2000. profit and loss and she was not convinced in the 11 BY MR. OTTINGER: 12 12 beginning and then she was convinced to accept the What does GA2000 do? 13 position and also was a very huge increase of salary 13 14 GA2000 was focused on ethnic traffic. included, so maybe that was one of the reasons that A 14 15 Ethnic? 0 she accepted. 15 16 Ethnic, Italians. It's a channel of A What happened to her marketing position 16 0 17 our trade. There are a lot of travel agency focus 17 at Alitalia? 18 on Italian community. It's very large in this part 18 A The marketing director has been 19 of the United States. Not only here in New York, of 19 eliminated. 20 course. There are travel agency in Massachusetts or Is there anyone - was there any 20 in Arizona. But all travel agency focus on Italian 21 21 marketing position still remaining in New York traffic were being supervised by GA2000. So with 22 22 23 the special agreements, special reservation. 23 Sorry, I was ready to finish. Director What happened to GA2000? 24 of Marketing has been eliminated. The manager for 24 Q As I know, GA2000, the company decide marketing has been eliminated, so remain small 25 A 25 Page 53 Page 51 to close GA2000 after there was a new, stronger activity of previous marketing office has been 1 1 relocated as the junior clerk that remain with small 2 decision by headquarter to reduce all costs and to 2 close all subsidy companies all over the world and 3 3 deeds, of course. if I remember, Alitalia used to have a company with 4 So what happened next to Ester Lorusso? 4 Q 5 aircraft, airline in Italy that was called Alitalia 5 A Ester, after a few weeks, accepted the Surprise, something like that. They close also that 6 role of Managing Director. Of course, during this 6 7 company. It was the strategy of the company to period, she remained as a Director of Marketing 7 8 close all activities. 8 until she accepted GA2000 managing position. 9 Do you know if Ester Lorusso ever tried 9 What happened next? to be considered for any other positions in Alitalia 10 10 Next after she started working for GA2000? MR. KORAL: Objection. 11 11 If Alitalia consider her for other BY MR. OTTINGER: 12 A 12 position? 13 Yes. 13 Do you know whether Ester Lorusso ever 14 Next, I think, I don't remember, she 14 O 15 asked to be considered for other positions in 15 had one year experience in GA2000 and after that experience I think she reach an agreement with the 16 Alitalia while you were working there? 16 17 MR. KORAL: And while she was at 17 company to move to Cargo. Were you involved in the decision to 18 GA2000? 18 THE WITNESS: While she was at GA2000, move her to Cargo? 19 19 No, absolutely not. I already left or 20 this is the question? 20 I was leaving. But Cargo was not under my 21 BY MR. OTTINGER: 21

22

23

24

25

Q

22

23

.4

25

iurisdiction.

Was GA2000 under your jurisdiction?

In terms of sales activity, sales plan and a

Not really. It been a subsidy company.

Or even before that?

MR. KORAL: Objection.

THE WITNESS: Before that, she never

ask me any different position than Director of

20 (Pages 74 to 77)

			20 (Pages /4 to //)
	Page 74		Page 76
1	man who told you to come here for these?	1	before, yes.
່ 2	MR. KORAL: Objection.	2	Q Part of an effort to consolidate the
, 3	THE WITNESS: I'm sorry, I was not	3	marketing advertising program, they eliminated the
4	concentrating.	4	program she had in New York, is that right?
5	BY MR. OTTINGER:	5	A No, no. In Rome, it's been decided to
6	Q You said a lawyer told you you should	6	centralize all agreement with advertising agency all
7	come for these depositions?	7	over the world and most important the acquisition of
8	MR. KORAL: Objection.	8	the media. You know, one of the most important job
وا	THE WITNESS: Which depositions, Gallo	9	of marketing in New York was relationship with
10	or Lorusso?	10	media, acquisition of the space, make visibility of
11	BY MR. OTTINGER:	11	the company, brand of the company, all decision
12	Q Did somebody tell you to whom here for	12	budget and autonomy has been centralize Rome for all
13	these depositions?	13	over the world, not only for New York. The
14	A No. For Gallo I know I'm the	14	consequences of that, there was no reason to have
15	defendant, so I was considered that it is good that	15	anymore Director of Marketing and the Manager of
16	I will be here, first of all.	16	Marketing in New York.
17	Second, lawyer told me it is good that	17	Q Who made that decision?
1		18	A Rome.
18	I will be here and when Lorusso you ask me, the	19	Q Who? Who in Rome?
19	lawyer of Lorusso ask to have my testimony, I say I	20	A The company. I don't remember who.
20	have nothing on contrary to give my testimony in the	21	Q Where was this work moved to? Who did
21	Lorusso case because I am here on the Gallo case.	22	it?
22	Q Does the current company you work for,	23	
23	you called it Airone?	1	A Who did effectively — I'm sorry? Q You said that there was a change, a
24	A Airone, it's one word.	24 25	Q You said that there was a change, a centralization?
25	MR. KORAL: Airone.	25	
	Page 75		Page 77
1	BY MR. OTTINGER:	1	A Yes.
2	Q Does that company have any connection	2	Q Where was it centralized?
3	to Alitalia?	3	A Where?
4	A No. Because probably you didn't read	4	Q Yes.
5	Italian newspaper in the last months, but Alitalia	5	A In Rome.
6	Company was in sale and one of the candidate buy	6	Q Who took over the work that Ester
7	Alitalia was Airone.	7	Lorusso used to do?
8	Q Who owns Alitalia now?	8	A At that time, the Director of Marketing
9	A Alitalia still belong to the Italian	9	of Alitalia, Worldwide Director of Marketing to
10	Government until negotiate and the candidate chosen	10	control all budget of all over the world.
11	by Government is Air France will decide to buy	11	Q Who is that?
12	another company. It's in all the newspaper.	12	A Who is the person?
13		13	Q Yes.
14		14	MR. KORAL: Who was the person?
15		15	BY MR. OTTINGER:
16		16	Q Who was the person?
17		17	A I don't remember the name.
18		18	Q Did anyone from New York get
19		19	transferred to Rome to help out in the centralized
20		20	the new centralized program?
21	• •	21	A No, not for that.
22		22	Q Do you know who Francesca Forte is?
73		23	A Yes.
4	· · · · · · · · · · · · · · · · · · ·	24	Q She was moved from Rome to New York?
	• · · · · · · · · · · · · · · · · · · ·	25	A Francesca Forte is the junior clerk